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Wednesday, 4 October 2006

**Vision Systems Limited 02 - Panel Receives Application**

The Takeovers Panel (**Panel**) advises that it has received an application dated 4 October 2006 (**Application**) from Cytyc Victoria LLC (**Cytyc**) in relation to the affairs of Vision Systems Limited (**Vision**).

Cytyc submits that the Merger Implementation Agreement (**MIA**) that Vision and Ventana Medical Systems, Inc. (**Ventana**) entered into on 14 August 2006 in relation to Ventana's proposed merger with Vision, contains provisions that:

- (a) prevent Vision from soliciting a competing proposal from a third party whilst the MIA remains on foot; and
- (b) require Vision to immediately inform Ventana of any competing proposal made to Vision and to provide Ventana with all material details in relation to such competing proposal.

Cytyc submits that, these provisions constitute unacceptable anti-competitive lock-up devices, given the circumstances surrounding Vision at the time of the Ventana Acquisitions (see below), and especially following Ventana's announcement on 17 September 2006 that it would not be increasing the consideration offered under its proposed merger with Vision.

Cytyc also submits that the circumstances in which Ventana acquired, on-market, 12% of Vision's shares on 27 September 2006, constitute unacceptable circumstances as a result of information which Cytyc submits Ventana was likely to have been provided under the terms of the MIA.

The Application seeks a declaration of unacceptable circumstances, interim orders and final orders.

The Panel has not decided whether to conduct proceedings in relation to the Application and makes no comment on the merits of the Application. It also notes that it has not received submissions from other parties to the application and it is, therefore, unaware of their views.

The President of the Panel has appointed Robert Johanson, Andrew Lumsden (sitting President) and Jennifer Seabrook to consider the application.

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